

# 2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

Agency: UTAH STATE OFFICE OF EDUCATION Bill Number SB 2 2nd Substitute

TITLE OF BILL: MINIMUM SCHOOL PROGRAM BUDGET AMENDMENTS by Rep. Brad Last

Requested by: Ben Leishman

Fax/Electronic Mail Transmittal To:

Office of the Legislative Fiscal Analyst  
W310 State Capitol Complex  
Salt Lake City, UT 84114-5310  
538-1034 / Fax 538-1692

Name:	<u>Ben Leishman</u>
Date:	<u>March 10, 2008</u>
Fax Number:	

Please return to Fiscal Analyst by: March 10, 2008

This Bill Takes Effect: ☒ On passage ☒ On July 1 ☐ 60 Days after session ☒ Other 5/5/2008

Bill Carries Own Appropriation: ☒

## FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2008 Supp.	FY 2009	FY 2010
<b>A. REVENUE IMPACT BY SOURCE OF FUNDS</b>			
1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
<b>7. TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## B. EXPENDITURE IMPACT:

<b>By Source of Funds</b>			
1. General Fund	<b>\$50,000</b>	<b>\$250,000</b>	<b>\$250,000</b>
2. General Fund, One Time			
3. Uniform School Fund - Education Fund	<b>\$1,280,000</b>	<b>\$2,473,662,586</b>	<b>\$2,441,692,586</b>
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)		<b>\$26,499,500</b>	<b>\$26,499,500</b>
<u>Uniform School Fund Restricted-Interest &amp; Dividends A</u>			
6. Local Funds			
<b>7. TOTAL</b>	<b>\$ 1,330,000</b>	<b>\$ 2,500,412,100</b>	<b>\$ 2,468,442,100</b>
<b>By Expenditure Category</b>			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay			
6. D.P. Capital Outlay			
7. Other (Specify)	<b>\$1,330,000</b>	<b>\$2,500,412,100</b>	<b>\$2,468,442,100</b>
<b>8. TOTAL</b>	<b>\$ 1,330,000</b>	<b>\$ 2,500,412,100</b>	<b>\$ 2,468,442,100</b>

## C. IMPACT IN FUTURE YEARS?

*If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.)*

<u>Cathy Dudley</u>	<u>MSP Budget and Property Tax Specialist - USOE</u>	<u>801.538.7667</u>	<u>March 10, 2008</u>
Prepared By	Title	Agency	Phone #
			Date

**D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**

**E. Expenditure Impact Details (Ties to totals in Section C)**

*List and document methodology and/or assumptions used in determining need for workload and cost increase.*

*List number, type, and step ranges of personnel required, including benefits.*

*List details of other impacted expenditure categories as shown in Section C.*

*List additional space requirements and cost associated with requirements of this bill.*

*(USE ATTACHMENTS IF NECESSARY.)*

*This bill incorporates many other bills that have been introduced earlier in the session.*

*This bill redefines the formula for the Charter School Local Replacement funds. Based on FY08-09 numbers, the local replacement dollar amount would have to be approximately \$46,978,267 (32,921 X \$1,427). Using known ADM and fall enrollment numbers from FY06-07, the formula in the bill would save the state approximately \$3,729,151 in FY08-09. These numbers will change as the property tax revenues change and the number of charter school students increase.*

*The amount "contributed" by the school district would be 25% in FY08-09 and will remain at this level unless the Legislature changes it. If the formula does not generate \$1,427 per student, the state will provide an additional supplement so that a charter school receives at least \$1,427 per student.*

*The new formula for distribution will have to be calculated each year from the school districts actual tax revenue collected. This data would be collected from the school districts Annual Financial Report which is due on October 1 of the following school year. It should be mentioned either in the bill or a rule what year those revenues come from.*

*Regarding lines 182-184: **For the purpose of allocating school district revenues under Subsection (4)(a)(i), a kindergarten student who is enrolled in less than a full-day kindergarten program is weighted as .55 of a student** — which pertains to "local replacement" funding for charter schools, might be understood to imply that students who are enrolled in a full- (or even extended-) day kindergarten generate more than .55 of a WPU.*

*This is **NOT** the case. The basic program is funded at the same rate (55% of a WPU) for all traditional (approximately half-), extended-, and full-day kindergarten students based on membership data reported by via the Clearinghouse. To count as one full (1.0) ADM, a kindergarten student must only be enrolled for at least 450 hours of during the school year. In converting K ADM to WPUs, ADM is multiplied by .55.*

**REGARDING THE APPROPRIATION OF PUPIL TRANSPORTATION FUNDING:**

**Impact to the 40 School Districts:** *A school district may claim eligible transportation costs as legally reported on the prior year's annual financial report. The total of the proposed allocation of on-going and one-time funding is \$1,326,350 short of the FY08 combined allocation. This will leave the 40 school districts struggling to pull other education funds to subsidize pupil transportation. This will be extra difficult given that with the continued growth in Utah they are now transporting 7,610 more students than last year. This is requiring districts to fund an additional 185,928 miles and an additional 1,143,040 minutes to transport the additional students. This is especially difficult at a time when the cost of new buses has increased this year by over \$7,000 due to new EPA clean air mandates, and when most every other operational cost has increased since last year.*

**Impact to Utah Schools for the Deaf and Blind:** *The funding for USDB pupil transportation would decrease by \$51,486 from last year. This decrease will affect USDB in a similar way to the 40 school districts.*

*With this bill, it is estimated that the state pupil transportation funding level for school districts will drop below 80% whereas language of the bill provides that the state shall contribute 85% of approved transportation costs (subject to budget constraints).*

*The bill also creates the UPSTART program which is a pilot project that uses a home-based educational technology program to develop school readiness skills of preschool children.*

*This bill creates a financial literacy education passport which expands the opportunities for financial literacy education into grades K-12. This will require coordination of efforts in existing curricular areas, curriculum mapping, creation of training materials, and assessments as necessary. Costs for substitutes, contracted services, print materials, professional development trainings, web site updates, and assessment development were estimated based on similar professional development implementation plans. This program will have an impact on the workload of USOE specialists. Additional funding has not been awarded to compensate for additional responsibilities.*

*This bill updates UCA 53A-14-107, by requiring the State Board of Education to make rules that establish the qualifications of independent parties who may evaluate and map the alignment of the primary instructional materials and requirements for the detailed summary of the evaluation and its placement on a public website.*

*This bill increases the number of WPU's for the Minimum School Program, and increases the value of the WPU by 2.5% to \$2,577.*

*This bill adds the International Baccalaureate program to accelerated learning programs.*

*This bill clarifies the educator salary adjustments by eliminating school administrators from the allocation and clarifies the employer-paid benefits.*

*This bill creates a Teacher Salary Supplement Program and directs the Department of Human Resource Management (DHRM) in setting it up. The bill states that beginning in fiscal year 08-09 the annual salary supplement will be \$4,500 for an eligible teacher. DHRM will need to hire a Human Resource Analyst and Technician to create an on-line application system for teachers to apply to receive a salary supplement through the Teacher Salary Supplement Program. DHRM will determine if a teacher is an eligible teacher and verify this determination with school district and school administrators.*

*The Division of Finance will distribute the monies from the Teacher Salary Supplement Restrict Account to school districts and charter schools after notification from DHRM. The State Board of Education shall cooperate with DHRM by providing or verifying teacher data, as requested, and making information technology resources available.*

*This bill creates the Utah Science Technology and Research Initiative (USTAR) Centers Program. In order to administer this program, including making the complex evaluations described in the bill, USOE will need to add one full-time support staff position and one independent evaluator. Salary and benefits for the support staff position would be \$45,000, \$1,244 per year for rent and maintenance of their work space, \$2,000 for a computer, and \$360 per year for a phone. The cost of an independent evaluator would be approximately 2% of the program, or \$220,000. These costs would come out of the \$11,000,000 appropriated in the bill.*

*This bill creates the High-Ability Student Initiative Program. The money appropriated for this program will be used for up to 250 grant awards in amounts of up to \$2,500 each and up to 60 stipends in amounts of up to \$1,500 each. This appropriation will be used to hire additional personnel at the Utah State Office of Education to implement this program. At least an educational specialist and a support staff person would need to be hired to implement the requirements of this bill. The on-going funds would also be used for professional development and professional learning communities for teachers as well as an independent, qualified evaluator.*

*Start-up costs will include the development of a comprehensive, Internet-based resource center to provide information about high-ability students to teachers, administrators, parents, and the community. The language in this bill should direct the USOE to create board rule to establish criteria for the grant.*

*This bill creates the English Language Learner Family Literacy Centers Program. The Utah State Board of Education, after consultation with school districts and charter schools, will adopt a formula that allocates the money appropriated in the bill for the English Language Learner Family Literacy Centers Program in a fair and equitable manner. In addition, the State Board of Education is required to make a report to the Education Interim Committee on the effectiveness of this program before November 30, 2011. The State Board of Education will need approximately \$30,000 of this appropriation to support the time required for a USOE ESL specialist to monitor and comply with the requirements of the bill.*

*This bill creates the Beverley Taylor Sorenson Elementary Arts learning program. Of the appropriation, an estimated \$6,500,000 will be used for 100 highly qualified, full-time arts specialists to work at schools (\$65,000 X 100). Twenty school districts and charter schools will hire a district arts coordinator at approximately \$20,000 each (in addition to school districts and charter schools matching funds) for a total of \$400,000. These employees would also need funds for travel costs, etc. The State Board of Education will have to hire either a full-time specialist or contract out for someone to help with the program which will amount to \$115,000 for salary and benefits. A full-time secretary will also be needed at USOE for approximately \$45,000 for salary and benefits. An independent, qualified evaluator will need to annually evaluate the program which could run anywhere between \$50,000 - \$100,000. \$600,000 of the appropriation will be sent to the State Board of Regents to provide support to partner school districts and charter schools that participate in the Arts Enhanced Learning Program. The one-time \$1,000,000 will be used to purchase supplies and equipment. The rest of the appropriation will be used for travel, current expenses, computer equipment, stipends for district personnel, etc., to implement this program. These monies will be distributed through the State Board of Education after consulting with the Utah Arts Council and receiving their recommendations.*

*\$400,000 was appropriated to the State Board of Education for career and technical education online assessment.*

*This bill provides on-going and one-time appropriations for these programs and includes intent language and coordinating clauses.*

**F. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.*

*Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)*

**G. If Bill Carries Its Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.*

*Are there future additional costs anticipated beyond the appropriation in the bill?*

**H. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.*

*Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local Governments:

*Some school districts may see a reduction in their Minimum School Program allocations as the State Board of Education deducts an amount equal to the Local Replacement allocation provided by the school district from their property tax revenues. Total funding received by a charter school may increase or decrease based on the new formula and current local replacement dollars distributions.*

Businesses and Associations:

Individuals:

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.